

Larry Hogan, Governor Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary Horacio Tablada, Deputy Secretary

April 20, 2018

Via E-Mail

Exelon Generation Company, LLC 300 Exelon Way Kennett Square, Pennsylvania 19348 Attn: Joseph Dominguez, Senior Vice President

Re:

Water Quality Certificate Application #17-WQC-02

Conowingo Hydroelectric Project

Dear Mr. Dominguez:

I appreciate the additional information Colleen Hicks provided on April 16, as a follow-up to our prior meetings and discussions. I also appreciate the many services Exelon Generation Company, LLC ("Exelon") provides to Maryland's citizens and communities. After reviewing the latest information, however, I believe it is unrealistic to expect that the Maryland Department of the Environment ("MDE") and Exelon can reach a negotiated settlement regarding the water quality certificate ("WQC") for the relicensing of the Conowingo Dam prior to May 17, 2018.

We were optimistic Exelon and the Department could find a constructive solution to the challenges at Conowingo by working together, which is why I invited you and your team to meet with us on December 8, 2017. At that point, I believed we had sufficient time prior to the May 17, 2018 deadline to reach a negotiated settlement.

On January 16, 2018, Exelon submitted a comment letter to MDE asserting that, "Exelon has consistently stated throughout the relicensing process that it is open to providing some level of support to improve Chesapeake Bay water quality as a part of a settlement agreement." I viewed this as a positive sign, which is why I sent Ms. Hicks a letter requesting detailed clarification from Exelon about the offer to provide "some level of support".

When MDE and Exelon met on February 26, 2018, you provided a PowerPoint presentation generally summarizing a potential settlement offer. In a follow-up meeting on March 9, 2018, my staff made it clear to Exelon that the PowerPoint lacked sufficient detail to be actionable.

At our meeting on April 6, 2018, I reiterated the need for more detail about Exelon's settlement proposal. While I appreciate the additional detail Ms. Hicks eventually submitted on April 16, it underscores how much remains unresolved between MDE and Exelon at this late stage.

Exelon Generation Company, LLC April 20, 2018 Page 2

MDE has the information it needs to issue a WQC for the Conowingo Dam relicensing. With less than 30 days left until the statutory deadline, we are focusing our resources on that task. We are confident we can develop reasonable and necessary conditions to ensure continued progress for the Susquehanna River and Chesapeake Bay. We look forward to constructive partnerships with Exelon and others in the implementation phase of the WQC. Thank you.

Sincerely,

Ben Grumbles

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Secretary